

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

JULY 14, 2009

Quallion LLC, an innovative American company in Los Angeles County, has applied for a Department of Energy Electric (DOE) Recovery Act -- Electric Drive Vehicle Battery and Component Manufacturing Initiative grant to support its plans to build a \$200 million new state-of-the-art lithium ion battery manufacturing plant in Palmdale, California. Quallion is the largest U.S. manufacturer of customized high-quality lithium batteries used for medical, military, aerospace, and vehicle applications.

Its plan for the new Palmdale facility will immediately create more than 400 new jobs and upon completion in 2012, will create 2,360 long-term skilled manufacturing and installation jobs.

Moreover, Quallion estimates that with this grant funding, the proposed facility could produce more than 20,000 zero emission advanced lithium ion batteries for automobiles and batteries every year – batteries that replace engine idling as a stationary power source for heavy duty trucks. That increased production will significantly increase U.S. participation in the Asian-dominated lithium battery industry and will help to renew America's manufacturing job market and further federal goals to have one million plug-in hybrid cars on the road by 2015.

According to the U.S. Environmental Protection Agency, truck idling results in the emission of 11 million tons of CO₂ and consumption of 960 million gallons of diesel fuel annually. With DOE funding, Quallion will be able to deliver a clean energy solution that enables the one million heavy duty trucks on U.S. roads to comply with the growing number of anti-idling laws, eliminate unnecessary pollution, and significantly reduce America's consumption of fossil fuels.

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Support for this project is also evident at the state and local levels. In May 2009, Quallion successfully submitted a pre-proposal to the California Energy Commission for a \$9 million cost-sharing grant to expand the company's California battery manufacturing facilities. However, the award of that grant is conditioned upon the success of the federal (DOE) award.

The City of Palmdale has offered Quallion approximately \$10 million in incentives and grants, and will be an effective partner in advancing this vital economic and national security project.

I, THEREFORE, MOVE that the Board of Supervisors direct the County's Chief Executive Officer to send a five-signature letter to the Honorable U.S. Energy Secretary Steven Chu in support of Quallion and their request for Department of Energy Electric Drive and Vehicle Battery and Component Manufacturing Initiative funding.

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